

# ECONOMIC PULSE

## INTERNATIONAL TRADE : DEMAND PRESSURE REMAINS ELEVATED

Most indicators confirm that world demand for industrial goods is still going strong, suggesting an accentuation or at least the continuation of the supply-chain problems currently facing many companies. Production pressures are compounded by transport pressures, which were showing no signs of easing in early fall. Although maritime freight costs per container from China – for shipments to the rest of the world – levelled off slightly in mid-September, transport prices are still holding at an all-time high. They have increased 90% since the beginning of the year and have more than tripled over the past 18 months. The container shortage could even get worse as the year-end holiday season approaches.

New export orders from Taiwan have slowed down in recent months but are still trending around 30% above their 2019 average level. They are not only strong in the electronics and transport sectors. Compared to the 2019 average, export orders for electronics and transport equipment jumped by 53.7% and 56.7% respectively, as did demand for basic metal (+45.9%), plastic and rubber (+39.8%) and chemicals (+19.6%).

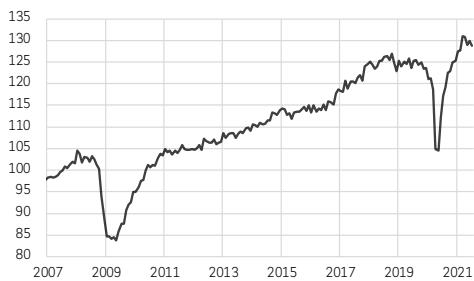
For the moment, CPB data show that world trade in volume has levelled off at a high level over the summer months: exports from the advanced economies slowed in June, mainly from the United States (-1.0% m/m) and the Eurozone (-0.7% m/m), while exports increased sharply in Central and Eastern Europe (+4.2% m/m), China (+2.7% m/m) and, to a lesser extent, Latin America (+0.1% m/m). Global imports in volume remained virtually unchanged in June (-0.1% m/m).

Even so, the new export orders component of the global PMI index for the manufacturing sector dipped for the third consecutive month in August (-1.8 points to 51).

**Guillaume Derrien**

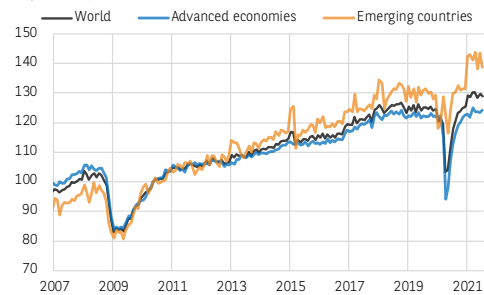
### WORLD TRADE INDICATORS

World trade (exports & imports), volume, index 2010 = 100



Source: CPB, BNP Paribas

World exports by area, volume, index 2010 = 100



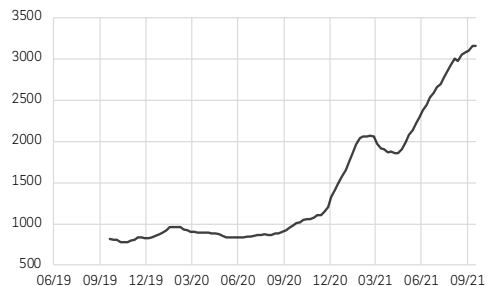
Source: CPB, BNP Paribas

Global manufacturing PMI: new export orders



Source: Markit, BNP Paribas

China containerized freight price index



Source: Shanghai Shipping Exchange, BNP Paribas

SOURCE: REFINITIV, BNP PARIBAS

